GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy, Infrastructure & Investment Department – Providing Government Guarantee to the Andhra Pradesh State FiberNet Limited for an amount of Rs.3283.00 crores for obtaining loan from the Banks/Financial Institutions – Approved - Orders – Issued.

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ENERGY, INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 27 **Dated: 10-09-2018.**

Read the following:-

1. E-file received from the MD, APSFL e-file no.APSFL-12/1/2018-GM-FIN-APSFL.
2. G.O.Rt.No.161, Energy, Infrastructure & Investment (Airports) Department, Dated 22.11.2016.

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O R D E R:

Fiber Grid is one of the 5 Grids identified by the Government of Andhra Pradesh to accelerate socio-economic growth of the State. Fiber Grid is primarily aimed at harnessing the power of information resource and enabling provision of qualitative and cost-effective IT, Communication (data, voice & video) related services to the citizens of A.P.

2. AP Fiber Grid Phase-I envisages setting up a state-wide high speed Optical Fiber Network Infrastructure across the 13 Districts of the State leveraging the assets of the Electricity Department. A 24-Core ADSS Optical Fiber Cable was laid for a length of around 24000 Kms over the electrical poles. Its back-end electronics systems were set up as the Points of Presence (PoPs) at 2445 identified sub-stations. A state-wide control and command centre for this entire network has been set up at Visakhapatnam as a Network Operations Center (NOC). The scope of this system can be summarized as “Infrastructure as a Service, Platform as a Service and Software as a Service”.

3. A Customer Premises Equipment (CPE) is essential to enable delivery of various services such as IPTV, Internet, Telephone and other value added services etc. to the households and offices. In view of the key role of the CPE boxes in delivering the services of the AP Fiber Grid, procuring and supplying the CPE boxes in bulk will fasten the process of the delivering the services to the end-users.

4. Further, APSFL chose to explore FSOC technology due to the inherent advantage it offers vis-a-vis Fiber/RF implementation. The biggest benefit of FSOC technology is in remote areas or areas which are subject to geographical obstacles, like rivers, mountains etc. In such geographic areas, Fiber is infeasible and hence the section of people in these areas is deprived from the innumerable connectivity benefits that technology offers. Hence, FSOC, by virtue of not being dependent on such geographic obstacles is the only way to connect these remote areas with the internet.

5. In the reference 2nd cited above, the Government have sanctioned Government Guarantee for obtaining loan of Rs.300.00 Crores from the Banks / Financial institutions for procurement of Customer Premises Equipment (CPE) boxes by Andhra Pradesh State FiberNet Limited for repayment of interest and instalments of Term Loan.

6. The present Network of APSFL is having limitations to cater upto 2 million subscribers. Since, it is proposed to enhance the Network capacities to cater 12.5 million subscribers and it is essential to upgrade existing Network of APSFL.

7. The Managing Director, APSFL has furnished the proposal with the projection for 68,00,000 CPE Boxes by March, 2019 and thereby the requirements of Customer Premises Equipment (CPE) Boxes to that effect.

Funds Requirement Abstract

(Rs. in Crores)

S. No	Particulars	Total Requirement	Margin Money in the form of Equity	Debt	Govt Guarantee
1	Network Up gradation	Rs.1,210	Rs.302	Rs.908	Rs.908
2	CPE Boxes	Rs.3,166	Rs.791	Rs.2375	Rs.2375
3	FSOC	Rs.411	Rs.103	Rs.308	Nil*
4	Investment in Subsidiaries	Rs.15	Rs.15	Nil	Nil
	Total	**Rs.4,802**	**Rs.1,211**	**Rs.3,591**	**Rs.3,283**
5	Revenue Deficit	Rs. 473	Rs. 473	Nil	Nil
	Grand Total	**Rs.5,275**	**Rs.1,684**	**Rs.3,591**	**Rs.3,283**

*vide G.O.Rt.No.37, Energy, I&I (Airports) department, dated 06-12-2017 Govt., have issued orders for arranging Govt., guarantee for an amount of Rs.411.10 Crores for implementation of FSOC Solution.

8. The Managing Director, APSFL has requested the Government approvals on the following:

- To permit Andhra Pradesh State FiberNet Limited for approaching Banks/Financial Institutions for obtaining loan of Rs.3,591 Crores towards network up gradation, purchase of CPE boxes and Implementation of FSOC Solution.
- For arranging Government Guarantee for an amount of Rs.3,283 Crores for obtaining loan from banks/Financial Institutions by the Andhra Pradesh State Fibernet Limited towards Up gradation of AP Fiber Network and Procurement of additional CPE Boxes.

- For allocation of margin money of Rs.1,211 Crores in the form of Government's Equity for availing the above loan.
- For providing financial aid in the form of Equity of Rs.473 Crores towards revenue deficits of FY 2018-19.

9. Government after careful examination of the proposal hereby provide Government Guarantee to the Andhra Pradesh State FiberNet Limited for an amount of Rs.3283.00 crores for obtaining loan from the Banks/Financial Institutions.

10. The Managing Director, Andhra Pradesh State FiberNet Limited shall take necessary action accordingly.

11. This order issues with the concurrence of Finance (FMU-Energy-I&I) Department, vide their U.O.No.64030/5/2018-FMU-Energy-FIN, dated 05.09.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh FiberNet Limited, Vijayawada.
The Director of Treasuries and Accounts, Ibrahimpatnam, Vijayawada.
The Accountant General, A.P., Hyderabad.
The Finance (FMU-Energy-FIN) Department.
(C.No.17022/91/2018-Airports-E,I&I)

//Forwarded :: By Order//

SECTION OFFICER